




# STRONG QUARTER WITH 4 ACQUISITIONS

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1 January – 31 March 2021

 Date 2020.04.27

## Earnings conference call

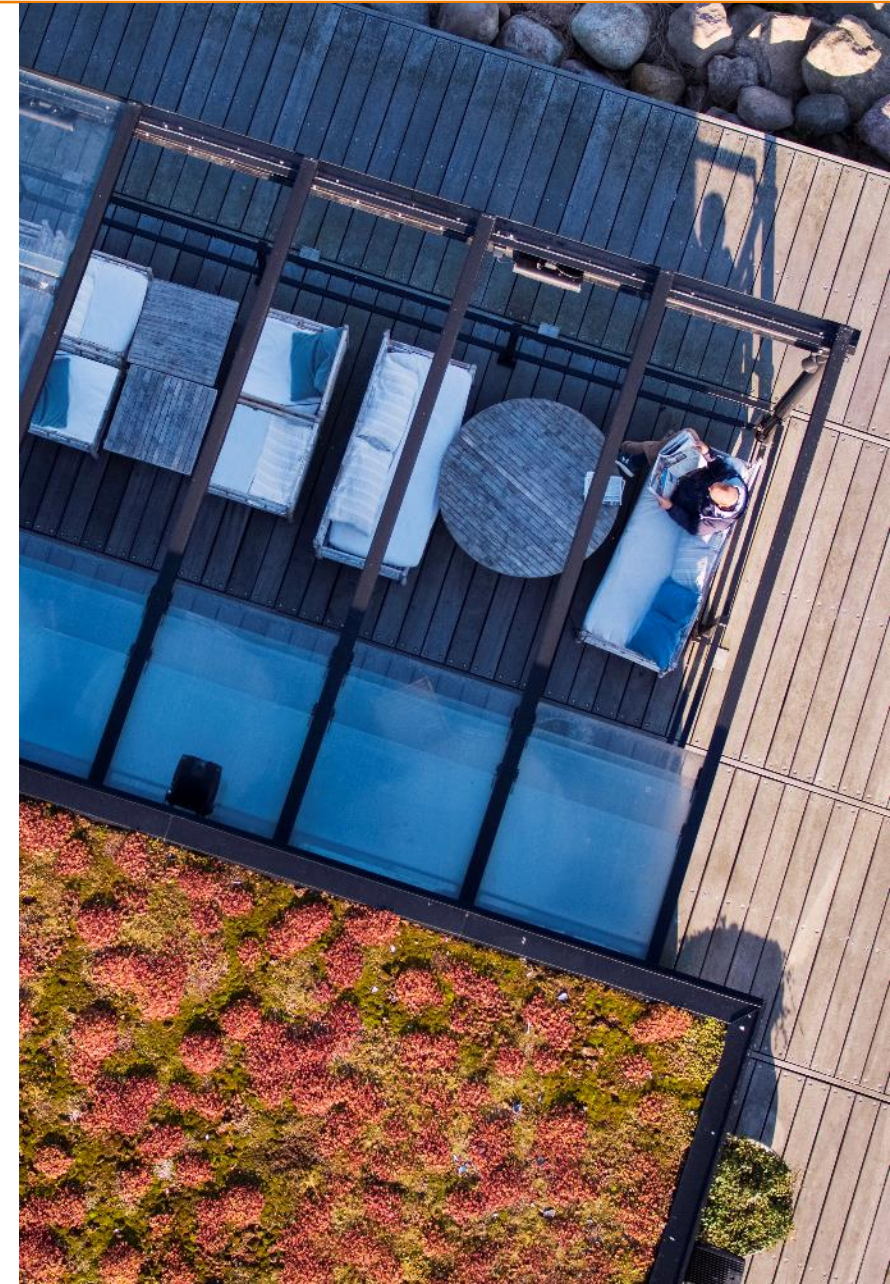
Martin Ellis (CEO) & Per-Olof Schrewelius (CFO & IR)

The statements about the future in this document contain an element of risk and uncertainty, both in general and specific terms, and this means that actual developments may diverge considerably from the statements about the future.

NORDIC   
WATERPROOFING

## Improved margins in first quarter

- Net sales of SEK 704 m (670), up 5%
  - 2% organic growth in local currency
  - 7% from acquisitions
  - -4% from currency effects
- So far, the Covid-19 pandemic has had a limited impact on our operations and business
- EBITDA increased to SEK 50 m (32), up 56%
- Operating profit (EBIT) increased to SEK 22 m (2)
- Cash flow from operating activities was SEK -88 m (-86)
- Earnings per share SEK 0.47 (-0.37)
- The AGM will be held on 29 April, postal voting only



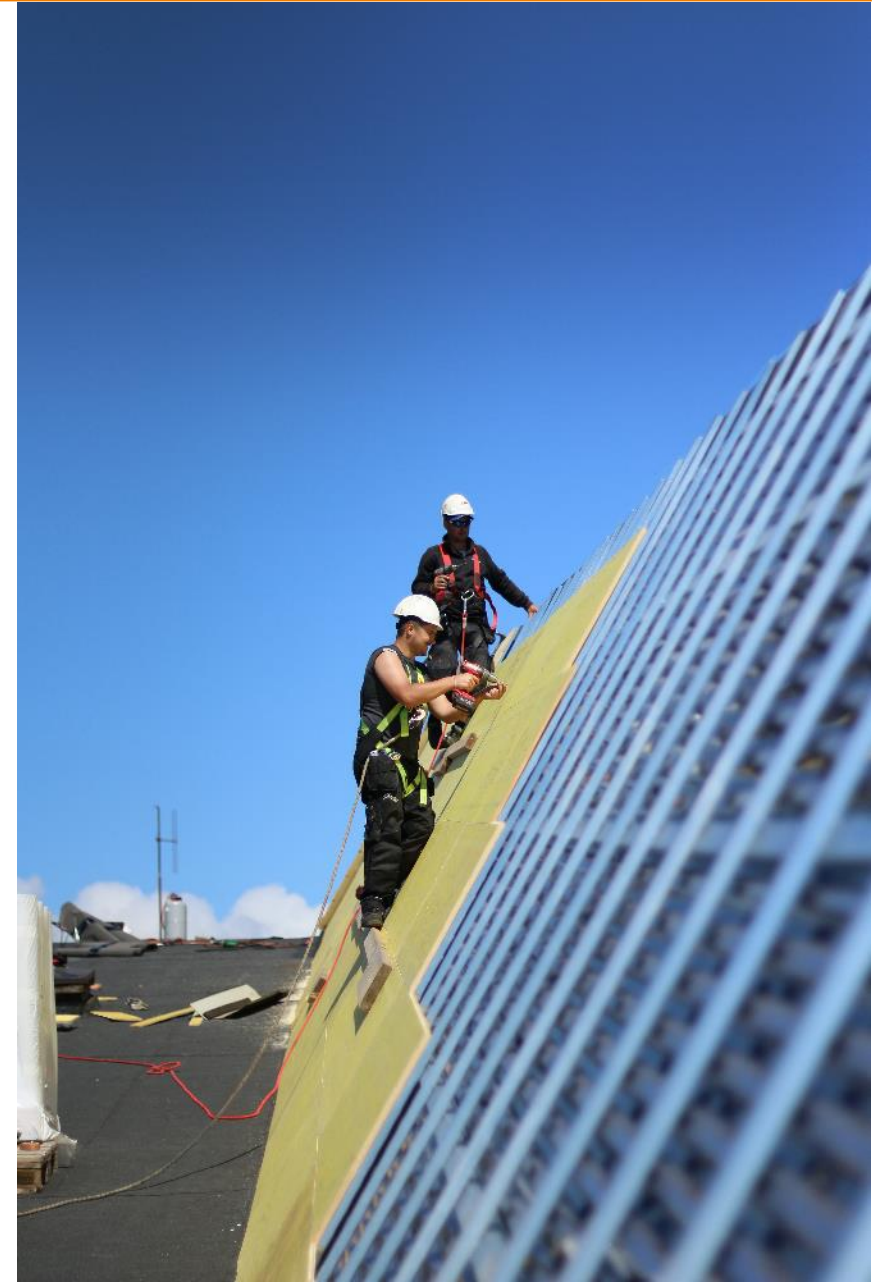
## Highlights and comments 1 (2)

- Weather had a negative impact, but underlying **demand** remains strong
  - Good growth from the roofing business in **Norway**  
Negative impact from weather in **Denmark, Finland** and **Sweden**
  - **Installation Services** decreased in sales, mainly due to weather impact
- **SealEco** had a strong development with double-digit growth in most markets.
- Low sales for **Veg Tech** in quarter, normal seasonal variation
- **Prefabricated elements** had strong development in sales and good turn-around seen in EBIT following the profit improvement program
- **EBIT** in quarter was above last year at SEK 22 m (2), EBIT margin 3.1% (0.4%). Improved EBIT is mainly driven by the profit improvement in prefabricated elements



## Highlights and comments 2 (2)

- Renewed acquisition drive:
  - Waterproofing contracting: **Byggpartner AS (Norway)**
  - Ponds and landscaping: **Gauris B.V. (Netherlands)**
  - Prefabricated wooden elements: **Seikat Oy (Finland)**
  - Green solutions in urban environments: **Urban Green AB (Sweden)**
- Cost increases from our suppliers being announced throughout our business portfolio. We have announced sales price increases, but some margin compression to be expected for some of our businesses.



## Market demand stable at a high level

- Flat roofing market in the Nordics remains strong with demand overall at healthy levels. Somewhat more cautious market expectations in Finland, in particular outside the Helsinki area
- Continued strong growth in prefabricated façade and roof elements in Denmark and Norway
- In recent years winters have been mild and favorable for our business. In Q1 2021, we saw more severe winter conditions on our main markets, with the exception of Norway, and hence a slower start for some of our businesses in 2021 compared to previous years.



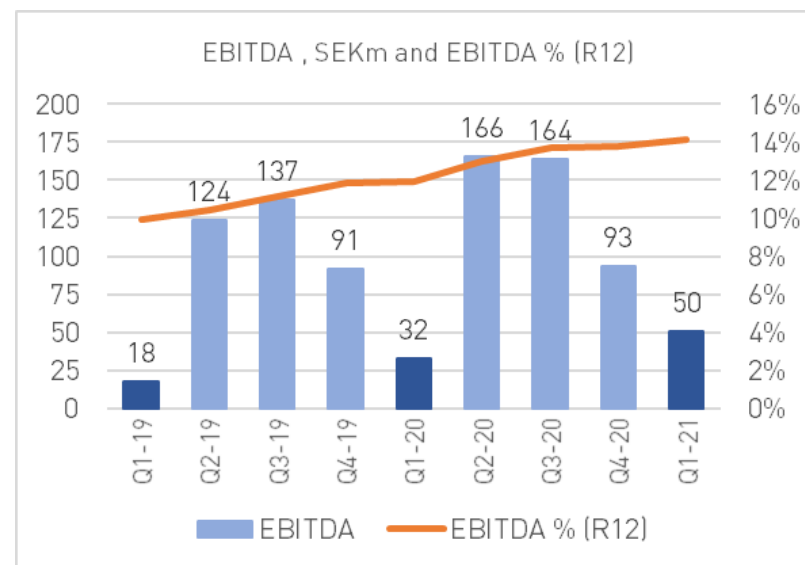
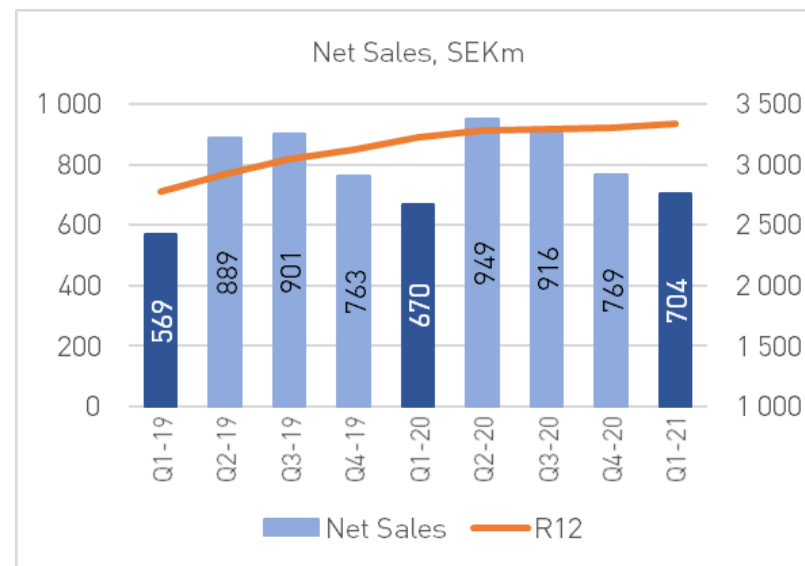
## First quarter report

### Net sales of SEK 704 m (670) up 2%

- Best first quarter sales ever
- Organic growth of 2% driven by high activity in roofing in Norway, the SealEco business and pre-fabricated wooden elements
- Structural effects contributed with 7% and currency had a negative impact of -4%

### EBITDA increased to SEK 50 m (32) while Operating profit (EBIT) increased to SEK 22 m (2)

- Best first quarter EBIT ever
- Mainly driven by turn-around program in prefabricated elements
- No material negative impact from the Covid-19 pandemic



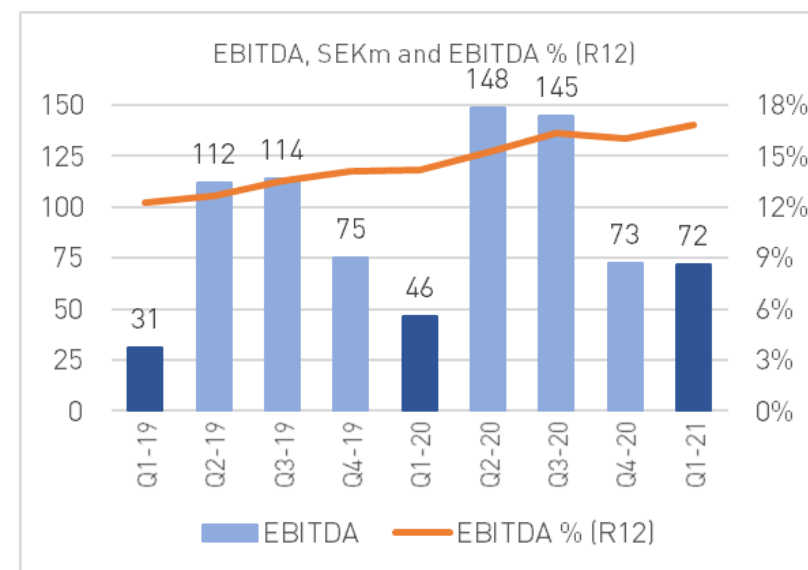
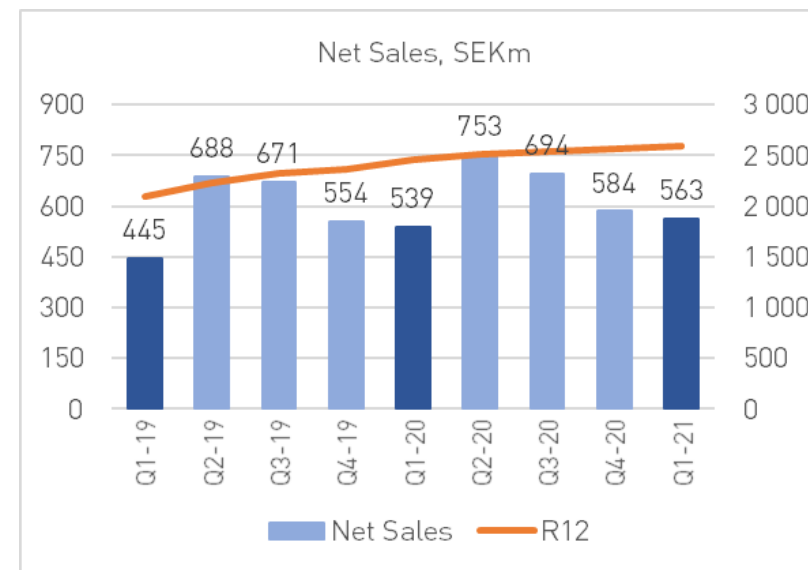
## Products & Solutions

### Net sales of SEK 563 m (539) up 4%

- Organic growth was 8%, no significant contribution from acquisitions and the impact from currency effects was -4% in the quarter
  - Finland: -10%, impact from weather
  - Denmark +11%: strong in pre-fabricated wooden elements
  - Sweden -7%, impact from weather
  - Norway +9%: strong in both pre-fabricated wooden elements and bitumen-based waterproofing
  - Other Europe +12%: Strong SealEco development on most markets

### EBITDA increased to SEK 72 m (46) while Operating profit (EBIT) increased to SEK 49 m (22)

- EBITDA margin increased to 12.7 percent (8.6) in the first quarter. On a R12-basis the margin is 16.9%.
- Increase in EBITDA mainly explained by turn-around from profit improvement program in prefabricated elements



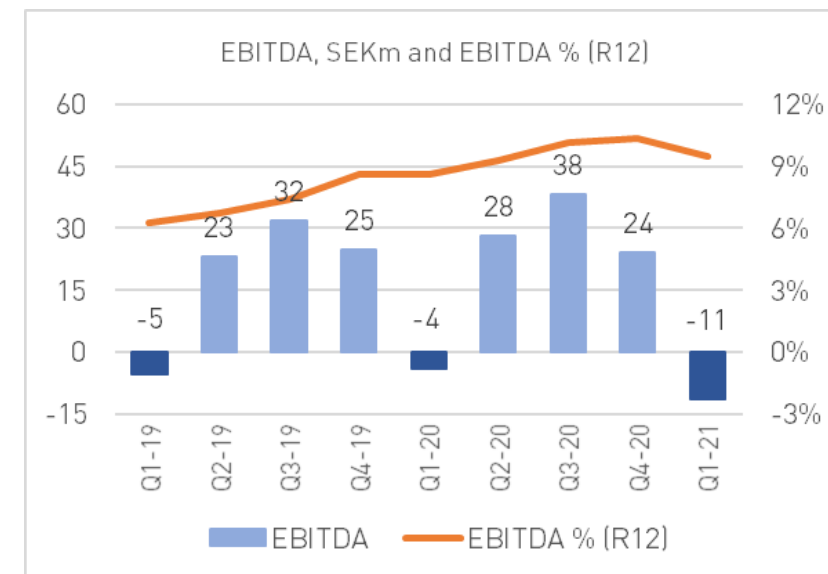
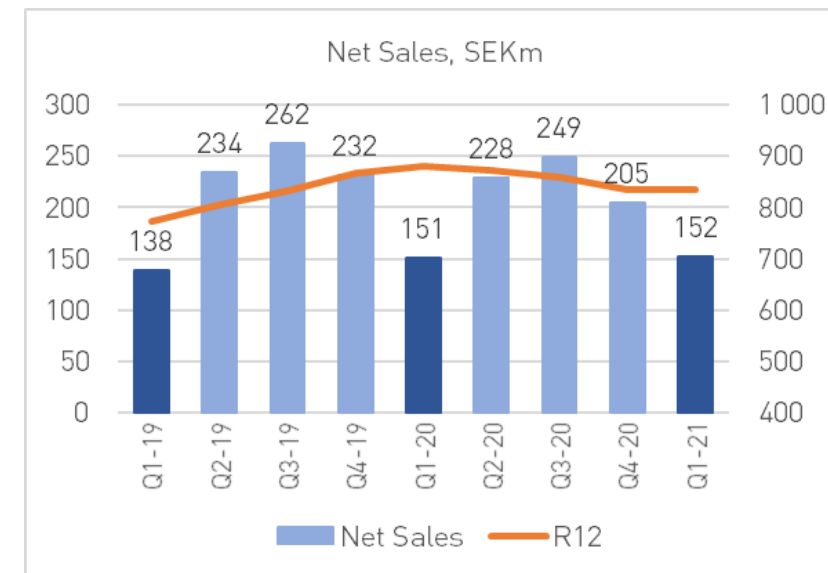
## Installation Services

### Net sales of SEK 152 m (151) increase with 1%

- Organic development of -23%, mainly caused by weather conditions and from lower demand in the rural areas of Finland. Impact from acquisitions (Byggpartner) 28% and currency effects were negative with -4%.

### EBITDA decreased to SEK -11 m (-4) while Operating profit (EBIT) decreased to SEK -16 m (-8)

- EBITDA decreased because of the lower volumes in the first quarter, having a negative impact on the operations in both Finland and Denmark
- On a R12-basis the margin is 9.5%.



Note: both EBITDA and EBITDA % include the share of profit in associated companies in Denmark



## Income statement

SEKm	Q1-21	Q1-20	Change, %	Latest R12 Q1-2020	Full-year 2020
Net sales	<b>704</b>	<b>670</b>	+5%	3,337	3,303
Gross profit	<b>183</b>	<b>158</b>	+16%	954	929
EBITDA	<b>50</b>	<b>32</b>	+56%	473	455
Operating profit (EBIT)	<b>22</b>	<b>2</b>	+796%	357	337
Net finance items	<b>-8</b>	<b>-13</b>	n/a	-11	-16
Profit/loss before tax	<b>14</b>	<b>-10</b>	n/a	345	321
Tax	<b>-3</b>	<b>1</b>	n/a	-72	-68
Profit/loss for the period	<b>11</b>	<b>-9</b>	n/a	273	253

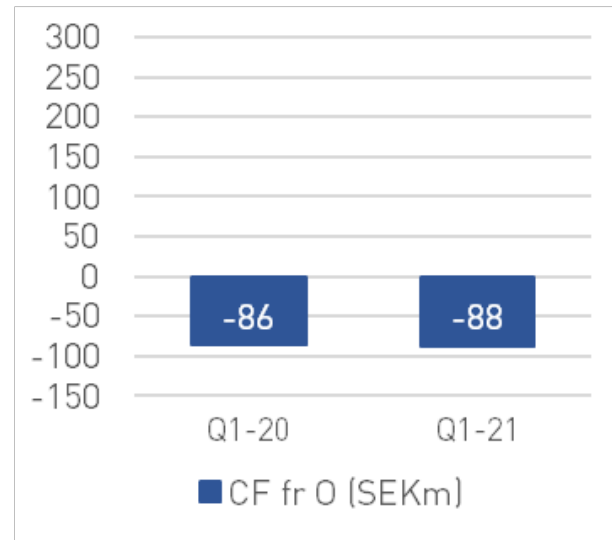
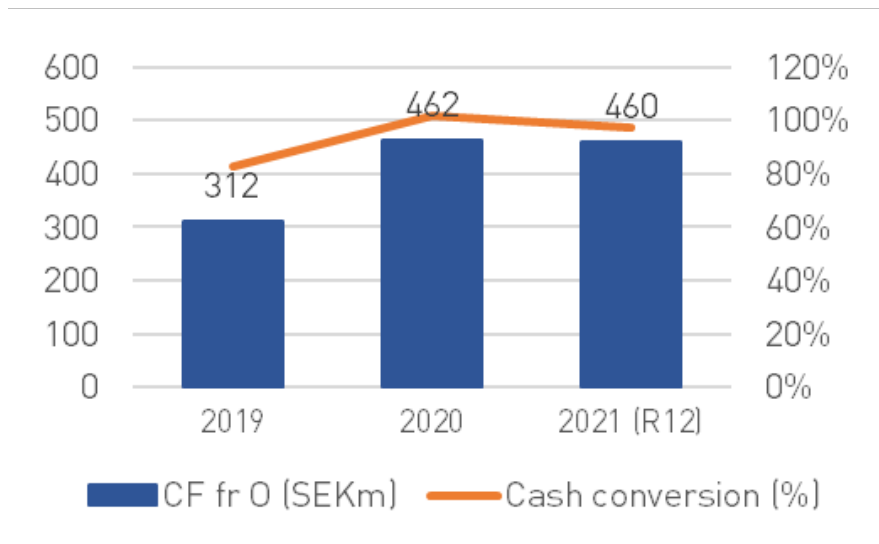
- Byggpartner is consolidated from 1 January, Gauris from 1 February
- Gross margin for quarter was 26.1% (23.7%)
- EBITDA margin for quarter was 7.1% (4.8%)
- Acquisition-related amortizations of intangible assets (customer relations) affects EBIT by SEK -5 m (SEK -5 m)

## Balance sheet

SEKm	2021-03-31	2020-03-31	2020-12-31
Non-current assets	1,659	1,650	1,539
Current assets	1,425	1,036	1,325
<b>Total assets</b>	<b>3,084</b>	<b>2,686</b>	<b>2,864</b>
Equity	1,473	1,232	1,418
Non-current liabilities	978	911	942
Current liabilities	633	543	504
<b>Total equity and liabilities</b>	<b>3084</b>	<b>2,686</b>	<b>2,864</b>
Capital employed	2,335	2,058	2,261
ROCE (R12)	15.9%	13.2%	15.6%
Interest-bearing net debt	463	736	238
Equity/assets ratio	48%	46%	50%
Net debt/equity ratio	0.3x	0.6x	0.2x
Net debt/EBITDA	1.1x	2.1x	0.6x

- ROCE is above the long term financial target of 13.0% due to the strong operating profit latest twelve months
- Net debt/EBITDA-ratio increased to 1.1x during the quarter due to acquisitions made and normal seasonal weak operating cash-flow.
- Interest-bearing net debt at SEK 463 m, continued good cash position and a strong balance sheet

## Cash-flow from operating activities



- Operating cash conversion after Q1 2021 was 97%, compared with 102% for the full year 2020 and 83% for 2019
- Cash-flow from operating activities in Q1-21 of SEK -88 m (-86) from normal seasonal weak operating cash-flow.

## Financial targets

### Sales growth

NWG's goal is to exceed the growth in the Group's current markets through organic growth.

In addition, the Group expects to grow through selective acquisitions.



### Profitability

NWG's goal is to generate a return on capital employed (ROCE) exceeding 13 percent for the financial year



### Capital structure

Net interest-bearing debt in relation to EBITDA shall not exceed 3 times at year-end



### Dividend policy

NWG' aims to distribute an annual dividend of more that 50 percent of its net profit. The pay out decision will be based on the Group's financial position, investment needs, liquidity position as well as general economic and business conditions.

## Questions

Further information:

- Martin Ellis, CEO
- Per-Olof Schrewelius, CFO & IR

Annual General Meeting: 29 April 2021

Interim report, January-June 2021: 20 July 2021

Interim report, January-September 2021: 2 November 2021

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**APPENDIX**

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## Shareholders as per 31 March 2021

Owner	Number of shares	Capital, %	Votes, %
Svolder	3,437,539	14.3%	14.4%
Swedbank Robur Funds	2,117,589	8.8%	8.9%
Mawer Investment Management	1,936,254	8.0%	8.1%
Handelsbanken Funds	1,422,718	5.9%	6.0%
Länsförsäkringar Funds	1,370,002	5.7%	5.7%
Carnegie Funds	1,264,705	5.3%	5.3%
Alcur Funds	1,104,024	4.6%	4.6%
Third AP-fund	1,000,000	4.2%	4.2%
Avanza Pension	475,159	2.0%	2.0%
Canaccord Genuity Wealth Management	457,643	1.9%	1.9%
<b>Total 10 largest shareholders</b>	<b>14,585,633</b>	<b>60.6%</b>	<b>61.0%</b>
Other shareholders	9,322,565	38.7%	39.0%
<b>Total number of votes</b>	<b>23,908,198</b>	<b>99.3%</b>	<b>100.0%</b>
Treasury shares	175,737	0.7%	n/a
<b>Total number of shares</b>	<b>24,083,935</b>	<b>100.0%</b>	<b>n/a</b>

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority. Holdings with depositories are reported as "other shareholders".



## Share details

- Ticker symbol NWG
- ISIN code DK0060738409
- Sector Construction & Materials
- Number of shares of SEK 1.00 24,083,935
- Treasury shares 175,737
- Voting & ownership restrictions None
- Current market cap SEK 4,300 million (26 April 2021)
- Contact Per-Olof Schrewelius, CFO & investor relations  
+46 707 82 79 58  
per-olof.schrewelius@nordicwaterproofing.com

## Experienced board of directors



**Mats O. Paulsson**  
Chairman

Relevant experience: Chairman of the board of Caverion, Nordisk Bergteknik and Svevia. Board member of BE Group. Previously board member of Acandao, Paroc, Ramirent, BTH Bygg, KEWAB, AKEAB, Mark & Energi byggarna and WinGroup. CEO of Bravida, Strabag, PEAB Industri. (15,000 shares)



**Leena Arimo**  
Board member

Relevant experience: CFO of the Finnish subsidiary of the listed Swedish group Bravida, which provides installation and service of systems in properties and facilities. Previously Senior Vice President, Finance, at Lemminkäinen, Managing Director at Lemcon Network (0 shares)



**Steffen Baungaard**  
Board member

Relevant experience: Board member of Arkil Holding, Carl Ras and M.B. Packaging. Previously CEO and President of Hus-Compagniet. (0 shares)



**Allan Jørgensen**  
Board member

Relevant experience: CEO of Dovista. Board member of OH Industri and Pankas. Previously board member of Hus-Compagniet, CEO of Kemp & Lauritzen. (0 shares)



**Riitta Palomäki**  
Board member

Relevant experience: Member of the supervisory committee and deputy chair of the audit committee at OP Cooperative. Previously member of the board of directors, chair of the audit committee and member of the remuneration committee at HKScan Oyj, and CFO of Uponor. (5,000 shares)



**Hannu Saastamoinen**  
Board member

Relevant experience: CEO of the indoor climate group Swegon, a wholly owned subsidiary of the listed Swedish investment company Investment AB Latour. External board positions in VEHO Group, Rototec Oy, MTC Flextek Oy. Previously Senior positions in, among others, Munters, Huurre Group, TAC Svenska, Carrier Refrigeration and Electrolux (0 shares)



**Kristina Willgård**  
Board member

Relevant experience: CEO of AddLife, Chairman of the board of AddLife Development, board member of Mediplast, Biolín Scientific, and Biomedica Medizinprodukte. Previously board member of Serneke Group and assignments as board member and partner in Willgård AB. (0 shares)

## Experienced management team



**Martin Ellis, CEO**

Joined NWG in 2011

Previous experience: CEO of NWG 2011-2012 and Chairman 2011-2015. 30 years experience as CEO and other leading positions including Icopal and Saint Gobain

(184,680 shares)



**P-O Schrewelius, CFO & Investor Relations**

Joined NWG in 2020

Previous experience: Different CFO and Finance Manager positions in various industries at, among others, Alligator Bioscience AB, the Getinge group and the Sandvik group

(9,000 shares)



**Mats Lindborg, Head of NW Sweden**

Joined NWG in 1986

Previous experience: 30 years of experience of sales and marketing including Trelleborg Waterproofing

(11,934 shares)



**Esa Mäki, Head of NW Finland**

Joined NWG in 2017

Previous experience: CEO of Nesco Group and various managerial positions of Icopal Finland and other companies in the building material industry.

(11,872 shares)



**Paul Erik Rask, Head of NW Denmark**

Joined NWG in 1992

Previous experience: 30 years of experience of leading positions and sales and marketing including Trelleborg Phønix A/S

(16,374 shares)

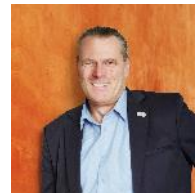


**Martin Tholstrup, Head of Taasinge Elementer**

Joined NWG in 2017

Previous experience: 20 years of experience from development, sales and prefabrication within the construction industry

(10,890 shares\*)



**Thomas Zipfel, Head of SealEco**

Joined NWG in 2009

Previous experience: 20 years of experience of managing positions including Trelleborg Waterproofing Polymeric Membranes

(1,726 shares)

\* Including related parties

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